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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/535,877	03/28/2000	Terence Boyle	CITI0139	5079

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EXAMINER

CHENCINSKI, SIEGFRIED E

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 12/16/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/535,877

Applicant(s)

BOYLE ET AL.

Examiner

Siegfried E. Chencinski

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[Handwritten signature]

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 14 October 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-4, 8, 10-15, 17-21, 23, 26, 30-35, 39, 41-43, 46 and 49-51 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-4, 8, 10-15, 17-21, 23, 26, 30-35, 39, 41-43, 46 and 49-51 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on October 14, 2004 has been entered.

Claim Objections

2. Claims 18-21 and 23 are objected to because of the following informalities: Applicant amended claim 17 to be dependent on claim 1 upon the cancellation of claim 16. However, Applicant failed to adjust other claims dependent on claim 16 because claims 18, 21 and 23 were also dependent on claim 16. Further, Claims 19 and 20 are dependent on claim 18.

For purposes of examination, the examiner has made the assumption that claims 18, 21 and 23 are dependent on claim 1, with claims 19 and 20 continuing their dependency on claim 18.

Appropriate correction is required.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. **Claims 1, 11-15, 17-20, 30-35, 42, 43, 50 & 51** U.S.C. 103(a) as being as being unpatentable over Hawkins et al. (US Patent 6,247,000 B1, hereafter Hawkins).

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Re. Claim 1& 35, Hawkins discloses a method and system means for reconciliation of fund manager and custodian account records (Definitions of Custodian - Col. 2, lines 52-56) - comprising:

- receiving a first account record by a database electronically from one of an internal portfolio tracking system of a fund manager and a custody network of a custodian and receiving a second account record by the database from the other of the internal portfolio tracking system of the fund manager and the custody network of the custodian (account record – Col. 9, lines 18-20, Col. 34, line 20; first and second database – Col. 3, lines 27-28);
- automatically comparing the account records by a computer application according to the predefined matching rules for at least one item of account data selected from a group of account data items consisting of account number, security identification units unit cost, total cost, unit price, and total market value to identify one of matched and unmatched first and second account records (Col. 3, lines 59-62; Col. 8, lines 17-19; Col. 16, lines 49-52); and
- if unmatched account records are identified in the comparison, generating a report of the comparison by the computer application identifying the unmatched account records accessible for display by the fund manager and the custodian, allowing a manual match of the unmatched account records on the database by either one of the fund manager and the custodian, and storing an historical record of the manual match by the computer application accessible by either one of the other of the fund manager and the custodian (Reports – Fig's 14, 16, 19; Col. 8, lines 37-39; Col. 20, lines 34-37).

Hawkins does not explicitly disclose allowing the fund manager and the custodian to predefine matching rules for the respective account records independently of one another. However, Hawkins discloses automatically matching financial transactions (Col. 1, ll. 26-30), the matching of settlement instructions (Col. 1, ll. 49-55); the interaction in financial transactions between fund managers and custodians (Col. 2, ll. 48-56); a system which prevents custodians from making changes to the settlement of

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securities traded for an institutions' account (a fund is an institutional trader) (Col. 3, ll. 27-31), the option for a user to view differences between the user's transaction request and another user's match confirmation (Col. 4, ll. 1-7), and the use of matching rules (Col. 23, ll. 4-30). It would have been obvious for an ordinary practitioner of the art at the time of applicant's invention based on the disclosures of Hawkins to include the step of allowing the fund manager and the custodian to predefine matching rules for the respective account records independently of one another in order to develop an efficient automated system for reconciling securities account records between a securities custodian and a fund manager (Hawkins, col. 3, ll. 53-56).

Re. Claim 11 & 42, Hawkins discloses a method and system automatically comparing the account records further comprises uploading the account records to a database (Col. 2, lines 30-37).

Re. Claim 12, Hawkins discloses a method wherein uploading the account records further comprises formatting the account records (Inherent).

Re. Claim 13, Hawkins discloses a method wherein uploading the account records further comprises parsing the account records (Inherent);

Re. Claim 14, Hawkins discloses a method of the method of claim 13, wherein uploading the account records further comprises validating the account records (Inherent).

Re. Claims 15 & 43, Hawkins discloses a method wherein uploading the account records further comprises uploading the account records according to a predefined schedule (Inherent).

Re. Claim 17, Hawkins discloses a method wherein predefining the matching rules further comprises predefining available match groups for a fund manager and a custodian (Col. 8, line 17-19).

Re. Claim 18, Hawkins discloses a method wherein predefining the matching rules further comprises predefining the matching rules for the account records for at least one of a position and a transaction (an inherent requirement of matching).

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Re. Claim 19, Hawkins discloses a method wherein predefining the matching rules further comprises predefining substantially similar matching rules for the account records for the position and transaction (Inherent to matching).

Re. Claim 20, Hawkins discloses a method wherein predefining the matching rules further comprises predefining different matching rules for the account records for the position and transaction (Some data elements of account record data in a securities position is inherently different from account record data in a transactions record).

Re. Claims 30, Hawkins discloses a method wherein displaying the report further comprises displaying the unmatched first and second account records simultaneously for either one of the fund manager and the custodian on a consolidated screen (An inherent feature available in Windows technology).

Re. Claim 31, Hawkins discloses a method wherein displaying the report further comprises prompting either one of the fund manager and the custodian for entry of the manual match (Inherent to applicant's chosen computer technology).

Re. Claims 32 & 50, Hawkins discloses a method and system wherein allowing the manual match further comprises programming the identifying of a reason for the manual match (Col. 34, lines 45-55). It is also obvious that records which do not satisfy automated matching criteria will need to be manually matched).

Re. Claim 33, Hawkins discloses a method wherein identifying the reason further comprises storing a record of the reason for the manual match (An inherent feature of computer systems, including the PC workstations and Windows operating systems chosen by applicant).

Re. Claims 34 & 51, Hawkins discloses a method and system means wherein storing the record further comprises allowing through preprogramming a retrieval of the record of the reason for the manual match (An inherent feature of computer systems, including the PC workstations and Windows operating systems chosen by applicant).

4. Claims 2-4, 8, 10, 26, 39, 41, 46 & 49 are rejected under 35 U.S. C. 103(a) as being unpatentable over Hawkins in view of Harris (US Patent 5,517,406).

Hawkins does not explicitly disclose:

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- Re. **Claims 2**, a method wherein receiving the account records further comprises receiving the first and second account records for one of a position and a transaction.
- Re. **Claim 3**, a method wherein receiving the account records for the position further comprises receiving the first and second account records for one of a securities position and a cash position.
- Re. **Claim 4**, a method wherein receiving the account records for the transaction further comprises receiving the first and second account records for one of a securities transaction and cash transaction.
- Re. **Claims 8 & 39**, a method and system wherein receiving the account record electronically via the interface to the custody network of the custodian further comprises receiving the account record electronically via a proprietary financial network.
- Re. **Claims 10 & 41**, a method and system means wherein receiving the account records by the database further comprises receiving the account records by a service bureau database.
- Re. **Claims 26**, a method wherein generating the report further comprises allowing at least one of the fund manager and the custodian to download the report in a file.
- Re. **Claims 46**, a method and system means wherein generating the report further comprises displaying the report for a user on a terminal.
- Re. **Claim 49**, a system wherein the computer application is further adapted for displaying the unmatched first and second account records simultaneously for the user on a consolidated display at the terminal.

However, Harris discloses:

- Re. **Claims 2**, a method wherein receiving the account records further comprises receiving the first and second account records for one of a position and a transaction (Title; Col. 2, line 45; Col. 3, lines 510).

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- **Re. Claim 3**, a method wherein receiving the account records for the position further comprises receiving the first and second account records for one of a securities position and a cash position (Re. Securities: Col. 6, lines 5-8; Re. Cash: It is well known that Cash is a component of most investor accounts).
- **Re. Claim 4**, a method wherein receiving the account records for the transaction further comprises receiving the first and second account records for one of a securities transaction and cash transaction (Re. Securities Transactions: Col. 6, line 7; Col. 5, lines 46-52; Re. Cash: It is well known that Cash is a component of most investor accounts).
- **Re. Claims 8 & 39**, a method and system means wherein receiving the account record electronically via the interface to the custody network of the custodian further comprises receiving the account record electronically via a proprietary financial network (Col. 5 line 62 - Col. 6, line 16).
- **Re. Claims 10 & 41**, a method and system means wherein receiving the account records by the database further comprises receiving the account records by a service bureau database (Hawkins, Col. 2, lines 30-37; Harris, Abstract).
- **Re. Claim 26**, a method wherein generating the report further comprises allowing a user to download the report in a file (Col. 14, lines 11-16).
- **Re. Claims 46**, a method and system means wherein generating the report further comprises displaying the report for a user on a terminal (Hawkins, Col. 8, lines 48-56).
- **Re. Claim 49**, a system wherein the computer application is further adapted for displaying the unmatched first and second account records simultaneously for the user on a consolidated display at the terminal (Inherent to applicant's chosen computer technology).

It would have been obvious for an ordinary practitioner of the art at the time of applicant's invention to combine the disclosures of Hawkins with those of Harris in order to develop an efficient automated system for reconciling account records in order to perform the required transactions in a timely, accurate and efficient manner and to

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correct inaccurate, incomplete or otherwise incompatible data and reject such transaction records for correction (Harris, Col. 2, ll. 34-39, 51-57).

5. Claims 21 and 23 are rejected under 35 U.S. C. 103(a) as being unpatentable over Hawkins as applied to claim 1 above, and further in view of Josephson (US Patent 5,689,579).

Hawkins does not explicitly disclose:

- **Re. Claim 21**, a method wherein predefining the matching rules further comprises predefining matching criteria in terms of a tolerance in at least one of percentage terms and nominal terms.
- **Re. Claim 23**, a method wherein predefining the matching rules further comprises predefining the matching rules in terms of levels of match success.

However, Josephson discloses:

- **Re. Claim 21**, a method wherein predefining the matching rules further comprises predefining matching criteria in terms of a tolerance in at least one of percentage terms and nominal terms (Abstract; Col. 4, lines 9 - 66);
- **Re. Claim 23**, a method wherein predefining the matching rules further comprises predefining the matching rules in terms of levels of match success (Col. 4, lines 45-50).

It would have been obvious for an ordinary practitioner of the art at the time of Applicant's invention to combine the disclosures of Hawkins with those of Josephson in order to develop an efficient automated system for reconciling account records in order to reduce the amount of labor intensive processes needed to perform reconciliation of electronically generated financial transactions (Josephson, Col. 3, ll. 45-49).

Response to Arguments

6. Applicant's arguments filed October 14, 2004 have been fully considered but they are not persuasive.

A. ARGUMENT:

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Traversal of the rejection of claims 1, 11-15, 17-20, 30-35, 42, 43, 50 and 51 under 35 U.S.C. 102(e) (p. 9, l. 1 – p. 10, l. 17).

RESPONSE: Applicant's arguments with respect to claims 1, 11-15, 17-20, 30-35, 42, 43, 50 and 51 have been considered but are moot in view of the new ground(s) of rejection.

B. ARGUMENT:

(1) Applicant argues that the rejection of dependent claims 2-4, 8, 10, 26, 39, 41, 46 and 49 under 35 U.S.C. 103(a) is invalid because the independent claims 1 and 35 which these claims depend on were wrongfully rejected in view of the amendment to claims 1 and 35.

(2) The teachings in the prior art of Harris and Josephson do not cure the deficiencies of Hawkins in regard to the rejection of claims 1 and 35 under 35 U.S.C. 102(e) in regard to the claim limitation of "allowing a fund manager and a custodian to predefine matching rules" (p. 11, l. 23) and that "Consequently, Hawkins, Harris, and/or Josephson do not disclose or suggest the required combination of amended independent claims 1 and 35 of Applicants' claimed method and system for reconciliation of fund manager and custodian account records". (p. 12, ll. 20-23).

RESPONSE:

(1) This argument that the dependent claims are wrongfully rejected because of the wrongful rejection of their independent claims is moot in view of the new ground(s) of rejection.

(2) Applicant is reminded of the following examination guidelines emphasized by courts in regard to obviousness analysis by an examiner:

(a) 'references are evaluated by what they suggest to one versed in the art, rather than by their specific disclosures'. *In re Bozek*, 163 USPQ 545 9ccpa) 1969'.

(b) 'references cannot be arbitrarily combined and there must be some reason why one skilled in the art would be motivated to make the proposed combination of primary and secondary references'. *In re Nomiya*, 509 F.2d 566, 184 USPQ 607, (CCPA 1975). And

(c) 'there is no requirement that a motivation to make the modification be expressly

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articulated. The test for combining references is what the combination of disclosures taken as a whole would suggest to one of ordinary skill in the art'. *In re McLaughlin* 443 F.2d 1392, 1395, 170 USPQ 209, 212 (CCPA 1971).

In this case, as stated in the rejection of independent claims 1 and 35, Hawkins discloses sufficient details of Applicants' claimed invention to have made it obvious for an ordinary practitioner of the art to have derived these two facets of the invention with all of their limitations. Further, the art of Harris, and/or Josephson is strictly relied upon for the specific deficiencies of Hawkins involved in each of dependent claims 2-4, 8, 10, 26, 39, 41, 46 and 49 under the obvious combination statute. First, the art of each reference is relevant to Applicant's invention. Hawkins concerns himself with confirmation and settlement for financial transactions matching (title). Josephson concerns itself with reconciling matching databases (abstract, ll. 1-2), Harris concerns himself with the automation of trade transactions (title). Finally, it has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, the art of Hawkins, Josephson and Harris are appropriate analogous art because they are both in applicant's field of endeavor and they are reasonably pertinent to the particular problem with which the applicant was concerned, such that they can be properly relied upon as a basis for rejection of the claimed invention.

Conclusion

7. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Siegfried Chencinski whose telephone number is 703-305-6199. The Examiner can normally be reached Monday through Friday, 9am to 6pm.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Hyung S. Sough, can be reached on 703-308-0505.

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Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (703) 308-1113.

Any response to this action should be mailed to:

*Commissioner of Patents and Trademarks
Washington D.C. 20231*

or faxed to:

(703)305-7687 [Official communications; including
After Final communications labeled
"Box AF"]

(703) 746-8177 [Informal/Draft communications, labeled
"PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive,
Arlington, VA, 7th floor receptionist.

SEC

December 13, 2004


HYUNG SOUGH
SUPERVISORY PATENT EXAMINER
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